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Office Memorandum • UNITED STATES GOVERNMENT

TO : Director of Logistics DATE: 12 May 1955

FROM : Chief, Procurement Division

SUBJECT: Weekly Activity Report

1. GENERALa. Status of DP Contracts Obligated under Fiscal Year 1952 Funds (continued item)(1) Pending Negotiation by Contracting Officer

25X1A

Arrangements have been made for a conference with contractor in Washington D. C. on 19 May 1955 to conduct final negotiations on this contract.

(2) Settlement Letter Being Prepared

25X1A

Supplemental Agreement mailed on 28 February 1955. Contractor has not executed Supplemental Agreement but has forwarded check in the amount of \$1,171.16. This refund is based on invoiced costs in the amount of \$18,296.46, less \$3,000.00 reduction which is \$379.46 less than our request. The check was forwarded to ICAB for them to cash same on 16 March 1955. After clearance of the check through the bank, Contract Branch will write a letter enclosing a revised Supplemental Agreement and indicating that he did not live up to his agreement, and we will initiate action to place him on our debarred bidders' list. Memorandum received from Chief, Finance Division indicating the check will be processed with the understanding that settlement was determined by the Office of Logistics to be just and proper and in the best interest of the Government. Letter to contractor and Supplemental Agreement are being prepared.

(3) Settlement Proposal to Contractor

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Settlement proposal was forwarded to contractor. He took exception to certain disallowances. The contractor's letter was sent to ICAB for comments on 4 March 1955. Cognizant auditor

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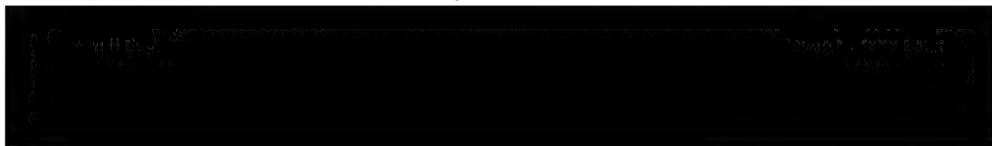
was in the field and action was not taken until his return during the week of 4 April 1955. ICAB's reply received 13 April 1955 and proposed settlement handcarried to ICAB on 19 April 1955. ICAB memorandum concurs with our proposed settlement with the exception that G&A be reduced by \$65.11. This was done and same was added to profit which is still less than the 10% allowable. Settlement letter has been mailed to contractor.

(4) Settlements Completed

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25X1A



25X1A

b. [REDACTED] (continued item):

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In view of the purchase request for the subject equipment providing for delivery at [REDACTED] and the memorandum justifying negotiations of the rental providing that the machine would be used at [REDACTED] a meeting was held on 6 May between representatives of the Procurement Division and the Printing and Reproduction Division to resolve this difference prior to award of the contract.

✓ 25X1A

It was agreed that since requirements for the machine at [REDACTED] were not firm as of that date and since the required date could not be forecast, the machine would not be delivered to or used at [REDACTED] under the proposed contract, but that it would be delivered to [REDACTED]

✓ 25X1A

It was further stated that [REDACTED] personnel would be trained in the operation of the machine while at [REDACTED] and should it later be determined that use of the machine at [REDACTED]

✓ 25X1A

was required, the proposed contract would be terminated and a separate covert agreement issued for that purpose at a later date.

✓ 25X1A

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c. Development Contracts for OC (continued item):

25X1A

Negotiations are underway on the additional requests received from OC to initiate purchase actions which will lead to contracts for the following developmental work: (1) Field Evaluation of [REDACTED] (3) Underseas Cable, (4) Power Supply for RS-11, (5) Low Frequency Quadricode, and (6) the AN/UM6. These negotiations for these proposed contracts will be handled as expeditiously as practicable in an endeavor to make awards thereon within the time remaining in this fiscal year. Commo will not

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submit requisitions on the projects until proposals have been received and approved as to technical sufficiency by their office.

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d. Proposed Contract for Packaging and Supply Operations at Station
[REDACTED] (continued item):

The proposed contract with Universal Match Corporation covering packaging and supply operations at [REDACTED] on and after 1 July 1955 is being drafted. 25X1A

e. Alleged Mistake in Bid (continued item):

The claim of the [REDACTED] alleging a mistake in bid has been considered and a decision has been reached by the Contracting Officer. The Contractor will be advised in writing during this work week that its claim has been disallowed and of its right of appeal as contained in the disputes article of the contract. 25X1A

25X1A

f. Source Inspection (continued item):

During the week source inspections were performed at Northeast [REDACTED]

25X1A

Two physical inspections were performed during the past week, [REDACTED]

repainting difficulties experienced by the local contractor.

25X1A

Consultation was conducted with TSS/WAD and prints and specifications of a new type [REDACTED] were turned over to that division for evaluation and possible future use. Consultation was also conducted with TSS/FED regarding expediting or evaluation of [REDACTED]. 25X1C

25X1A

g. Vehicles for [REDACTED] (continued)

Continuing action has been maintained on all these items to expedite delivery. A cable has been received from the field requesting all three vehicles be equipped with suppressor (to eliminate interference with radio transmissions). Action is being taken to accomplish this if it can be done without delaying delivery of the items.

25X1A

h. TSS Requisition [REDACTED] (continued)

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On 6 May 1955, the Chief, Purchase Branch, and Chief, Military Purchase Section, discussed this procurement with the official security [REDACTED]

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25X1A

25X6

i. Vehicles for the [REDACTED] (continued)

25X1A

Requisition from the Office of Communications for the transfer of \$3000.00 to the [REDACTED] for the procurement of two vehicles has not been received by the [REDACTED] Purchase Section. It is understood that this requisition is in Supply Division being processed.

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25X1A

k. Backlog of Work in General Purchase Section/PB: (continued)

Because of illness of two typists, the typing is behind normal production rate. This typing backlog will continue until next week at which time we will have our full staff of typists, and with some overtime, should be in a position to eliminate this problem.

2. ITEMS OF INTEREST

a. Procurement Review Committee: (continued)

The Committee held one meeting on 10 May and reviewed a total of two old cases, one of which was resolved. The remaining case has been tabled for further review upon receipt of additional information.

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b. Ventilation, Special Purchase Branch Space: (continued)

Representatives from the RE&C Division surveyed the Space on 5 May to determine the most effective method to ventilate the area. It is expected that work will begin the latter part of this week or the early part of the following week.

c. Tape Recorders: (continued item)

25X1A



on 16 May. The requisitioning activity has advised that the existing requisition will be increased by (2) units consequently it will enable the Agency controlled concern to take advantage of the quantity discount offered [REDACTED]

25X1A

d. Furniture Sources: (continued item)

The selected source in nearby Virginia has been utilized for the procurement of household furnishings on an over-the-counter basis. This procedure will be necessary until such time as the necessary security clearances have been made.

e. Audit of Special Purchase Branch Records (new item)

Representatives of the Audit Office assigned to the Office of Logistics as resident auditors have been reviewing the records of the Special Purchase Branch for the past two weeks. The Auditors have completed their review on 5 May and a report is being prepared for submission to the Auditor-in-Chief.

3. PROJECTS AND STUDIES IN PROCESS

a. Workload: (continued)

Increase in workload in the Special Purchase Branch has necessitated continuation of Saturday work.

b. Report of contracts financed with 1953 funds lapsing 30 June 1955 has been prepared and forwarded.

c. The first draft of that portion of the manual assigned to the Negotiation and Specification Section has been completed and is now under review. The second draft of the Inspection Section of the manual has been completed and is under review. The first draft of the "Property Audit" portion of the "Audit" section of the manual has been completed and work is continuing on the balance of the section.

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d. Work is underway on the first draft of the Administration Section of the manual.

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e. A management study by [REDACTED] is now underway in the Contract Branch and a review of the procedures of the Termination and Settlement Section has been completed. Review of the Administration Section is continuing and will be completed after the review of the Inspection Section which is now underway.

f. Work in all sections of the Contract Branch is continuing on a six day week basis until 30 June 1955. A review is made every Friday, however, by each Section Chief to ascertain that the work-load will in fact require all employees to work Saturday.

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OL/PD/A&CS/HNV:mjn (12 May)

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